



Florida House of Representatives

Office of the Speaker

Larry Cretul
Speaker

Members- you may recall my remarks during last years opening day lasted about two minutes...this year you're not as lucky.

Over the last year we have traveled some difficult roads, but today, I intend to look thru the windshield and not thru the rear view mirror. Today I want to talk about the future...to talk about the challenges and opportunities we face in the 60 days ahead.

I don't need to tell you that our country and our state are facing challenges. Floridians are worried about their homes, their jobs, their families and their future. We all share their concerns.

Over the next 60 days we must focus on ways to recharge Florida's economy and put Floridians back to work. The best way to strengthen Florida's financial future is to restore Florida's economic prosperity.

We will start on that task shortly by taking up HB 7033 which will reduce the dramatic increase in unemployment insurance cost for Florida employers.

With the state's unemployment trust fund exhausted many businesses have seen an increase of over 1000% in their unemployment costs. Such an increase is causing many employers to consider laying off workers in order to have money available to pay for unemployment taxes.

I hope we can agree that it is better right now for Florida employers to use their dollars to keep Floridian working rather than to lay off employees in order to afford a higher unemployment tax bill. Our citizens need pay checks not pink slips. They want a hand up not a hand out.

This is just the beginning in our effort to get this economy moving. Remember....Government does not create jobs; the private sector does. Government's role should be setting the business environment to create those jobs. We should never forget that it is the entrepreneurs, who risk their dollars to put Floridian to

work. We cannot tax, mandate and regulate our state into prosperity.

Floridians do not want a government that tries to do all things for all people. They want a government that focuses on the important things, and does them well. They want a focused HIGH PERFORMANCE government.

A government that works....starts with a government that is smarter...and smaller.

To make government work, we are going to have to change the way we approach it and the way we think. You may be familiar with the phrase, "If you keep doing what you've always done, you'll keep getting what you always got."

To me, that means those of us who run state government need to consider how we can improve the way we've always done things so we don't keep getting what we have always got.

So I am asking you to do government business a new way and here are a few ideas:

- State laws should be made smaller and cleaner. That means repealing out-of-date laws so that the Florida Statutes will actually be smaller than we started. It also means analyzing the ways rules are made by agencies. It does Floridians little good for us to set policies to bring economic growth back to Florida if state agencies are going to hinder those efforts with bureaucracy and red tape. We need to bring them back in line with legislative priorities.
- State government must be more efficient. This is a challenge to create a better approach that promotes real accountability, responsibility, and effective oversight.
- Agencies must be streamlined. Accountability measures for executive management must be adopted. When unnecessary and redundant advisory groups and commissions exist, let's faze them out and better target those resources.

- Let's look at agency operations like fleet management, state-owned property and buildings, the consolidation of non-core functions like IT and call centers, and other measures to create efficiency and cost savings.
- And let's give agency managers the tools they need to better manage their agencies. That means flexibility in managing salaries to help retain their high-performing employees and the ability to release those who are not making the grade.
- State government should be accountable – not just to us, but to the taxpayers.

Every year the agencies come before you and ask for more taxpayer money, but we don't often ask them what they did with what they received last year....and they are asked rarely if what they are doing is actually working. That is how they should be judged, by what they achieve for Floridians.

We talk about this a lot, but it seems little ever comes of it. This year, let's do our part to get it right.

We must do more than talk. We must lead by example and get better value out of our resources. Let's start by revamping OPPAGA and the Auditor General into a new Legislative Accountability Office.

With a leaner, more focused enterprise, we can begin to undertake the rigorous task of reviewing the economy, efficiency, and effectiveness of state programs. We owe it to our constituents to ensure that taxpayers are getting a fair return for their investment.

It's a simple concept: Former Governor Bush often says, "If you don't measure, you don't know. And if you don't know, then you don't care." Members, we care.

As an example....for the past decade we have applied greater accountability to our schools and our children are better for it.

We should not be afraid to hold other areas of government to the same rigorous standards and make them accountable for results.

And finally, our state government budget must be more responsible. And that starts with us.

I am one of the few elected officials in the Capitol not running for election this year – the only thing I am running for this year is the porch. So I believe I can speak frankly about the challenges we face in the budget.

Over the past three years, we have reduced the state budget by \$7 billion. Yet, we still face a shortfall of potentially \$3.2 billion. Let me read you a quote about Florida from the New York Times:

“Not in recent times has a Florida Legislature begun its task with such seriousness. The members are a long way from the frolicsome attitude of a few years ago – when a bill was proposed to require tail lights for cows. Florida’s economic future is at stake.”

That wasn't published this year, but 79 years ago in 1931. 29 year-old E. Clay Lewis, Jr. from Gulf County was the Speaker then- his portrait sits just above Representatives Braynon and Garcia. And just like him, no we won't be hearing any bills this session related to taillights and cows or anything as frolicsome as that.

I shared that quote to remind you that we are not the first Florida Legislature to face shrinking revenues and growing needs.

Just like previous legislature, we are constitutionally obligated to balance our budget. That is a charge I take very seriously. We cannot borrow and spend like they do in Washington.

And I want to be very clear about this. We will not play accounting games like they do in Sacramento or Albany....We will balance our budget with the dollars we have...., not ones that may possibly arrive at some point in the future.

If those dollars do come to us, then we will put them to use. But we won't base our budget on a wink and a prayer. Our budget will be anchored by the realities and uncertainties of the state's economy as it is today and will be into our near future. We will

hope for the best, prepare for the worst, and live within our means.

One of the major issues in the budget is the issue of reserves. Florida must have reserves appropriate for the fourth largest state in the nation.

In these tight financial times, the need for reserves is more important than ever. This current fiscal year the Legislature planned for over \$1 billion in reserves. Because of the continued recession and the state's increasing Medicaid costs, in December those reserves were estimated to be down to only \$130 million.

If we had not insisted that a one billion dollar reserve be in place, that \$900 million swing would have required us to have been back here two or three times already to reduce and balance the budget. Because last year we insisted on the fiscally responsibly approach, we were not forced to make those additional mid-year reductions.

But budget reserves are also important for more than just year-to-year budgeting.

Florida is one of the few states in the nation with a top-level bond rating. That AAA rating means that investors believe that we have done a good job managing the state's finances over the past decade.

This year that AAA rating will save taxpayers million of dollars in debt financing costs; over many years that top rating means billion of dollars in savings. It has a tremendous impact on the state's bottom line, both short-term and long-term.

State bond experts have told us that in order to preserve the state's AAA rating there must be adequate reserves. In previous years, that often has been easy. This year, it is not. It took Florida over thirty years to reach an AAA rating. We must not lose it in four or five months.

Creating responsible budgets is all about setting priorities – it is about making very hard Choices. It is our Constitutional responsibility.

This year, I have asked each of you to help set the budget priorities...and to look at areas where we should focus our resources and areas where we may need to reduce.

Some have resisted this approach and some have refused to participate...but setting meaningful priorities is the responsible approach to governing in these tough economic times.

For those of you have participate, I thank you. It has been an important exercise. Chairman Rivera will discuss with his council this afternoon the results of your recommendations. On Thursday, budget committee members will begin work on putting together their areas of the budget.

For those of you have so far refused to participate in the budgeting process, it makes it hard to take seriously your requests in the future. If you conclude that you aren't willing to do the basic work to set the budget priorities for the upcoming year, please let me know and I will be happy to reassign you.

As I said before, setting budgets is about setting priorities. And this year it means a lot of tough choices which is why your constituents sent you here.

I value the input of each of you, regardless of what side of the aisle you sit on. Every member has the chance to participate in the process, from the newest freshman to the eight-year, termed-out chairman. Please don't waste that opportunity.

My guiding principals during the time I have had the privilege of serving as your Speaker have been threefold:

- To improve efficiency
- To maintain stability
- To build continuity with the future

This has meant more member involvement and a realignment and opening up of the committee process. It has also meant an attempt to re-establish the trust of Floridians with this institution.

Last year we changed the budget process to make it more transparent. We released budget allocation information to all the members and the public.

We made sure that all budget proviso was vetted and discussed openly in conference.

Because it is the right thing to do, this year we will continue opening up and bringing more transparency to the budgeting process. While some in the end may not like the decisions we make, let us work to make sure that we do nothing to cause them to question the motives for why we made them.

Over the past year I've been labeled by a few in the press as Accidental, as the Grim Reaper, and one columnist wrote I have the personality of a "house plant." There were a few other names I can't mention in public. The most recent though is "Barney Rubble," after Fred Flintstones' easygoing neighbor. That's okay...and you'll remember that Barney was the one with the prettier wife.

From the description, I guess we can conclude that I'm not seen as a tough cop. But I do see myself as someone who will insist upon civility in the House during this session recognizing that election years seem to create particularly difficult and different dynamics among the membership.

I hope each and every one of you – returning Members and non-returning Members; candidates for a higher office or candidates for no office; Republicans and Democrats – you are House members first.

Remember the words of Thomas Jefferson: “The greatest honor of a man is in doing good to his fellow men, not in destroying them.”

Let us all show respect for one another – majority or minority party member – even if we don’t agree with them. The citizens who elect us want us to behave like grown-up. They want us to be disciplined and thoughtful in what we do and say.

A point of personal reflection and in conclusion. The model lawmaker during my years in the House was my very good friend and seatmate, the late Mike Davis from Naples. Mike and I sat left side, on the third row, where Representative Kelly and Precourt sit now. Like me, Mike was born in the Midwest, he served in the Coast Guard when I was in the Navy, and we loved motorcycles. We had a lot in common. Mike was anything but a common legislator.

Mike came to Tallahassee to do serious work, and during his time in office he tackled many very complicated, often controversial bills, bills in areas like transportation, growth management and affordable housing...we worked tirelessly to bring everyone to consensus.

Even people who didn't get everything they wanted in one of Mike's bills continued to admire him. They knew they always got a fair share in the deal. He was a man of great humility. No matter how passionately he believed in a subject, he always took the time to listen – to recognize that someone else may know more or may have a better idea. Mike never saw being a legislator in terms of privilege or perks. He understood that his office was a responsibility, an obligation, and a sacred public trust.

Before his death from cancer two-and-a-half years ago, Mike's personal conduct served as a model for me. We can disagree without being disagreeable; we can debate the issues without making it personal. We can always conduct ourselves with the integrity and respect that this body deserves.

Members and guests, thank you for your attention. I am looking forward to tackling the challenges we face this session. With the dedication and hard work of each of you, and with God's help, we can be successful. Now, let's go to work.